

## United States Senate

December 5, 2014

1256

The Honorable Tom Wheeler  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, Southwest  
Washington, DC 20554

Dear Chairman Wheeler:

Access to broadband is no longer a luxury; it is a necessity. Americans depend on connectivity to communicate with loved ones, complete school work, apply for jobs, and so much more. The United States leads the world in cutting edge innovations, and to stay on track, it is imperative that children and youth have access to quality education. Today, that means an education that harnesses technology. I commend the Federal Communications Commission's recent proposal that would improve access to broadband by providing additional funding to all schools and libraries through the Universal Service Fund's E-Rate program to expand broadband.

As you know, E-Rate is the largest education and technology program in the country. Funded through small fees on consumer phone bills, the program provides qualifying schools and libraries with discounted telecommunications services, broadband Internet access, and internal network connections. Since the program began in 1996, it has successfully connected nearly all schools and libraries nationwide, including hundreds of schools and libraries across the state of New Jersey.

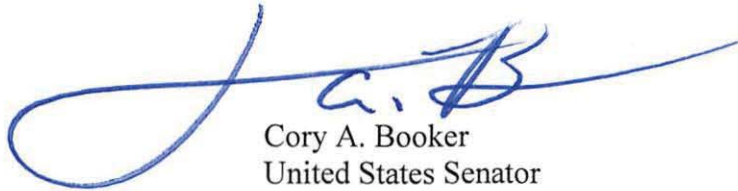
To be sure, the program has been highly successful, but as the reforms you propose make clear, we need to do more for our students. It is time for this program to move beyond merely connecting schools and libraries, to now provide upgrades, increased speeds, and greater network capacity. By making room for Universal Service fees increases, when needed, of less than \$2 per person annually, the program will yield major results for users across the country.

Currently, schools and libraries report inadequate broadband capacity as a barrier to meeting current and future community needs. The proposed reforms aim to address this critical challenge by bringing speeds up to 1 Gbps (1 billion bits per second). These advancements will allow students to truly reap the benefits of technology in education.

Higher broadband speeds can provide tremendous educational benefits to students across the country and can help them improve in science, technology, engineering, and mathematics (STEM) fields. At a time when the demand for high skilled workers is increasing, it is critical that we maximize the benefits of the E-Rate program, which will ultimately help make American youth more competitive in the global economy.

I am pleased the Commission's E-Rate proposal reflects a deep commitment to providing broadband access to individuals and communities that need it most. This vital investment in our youth will undoubtedly result in substantial progress for our country.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. A. B.', with a large, sweeping flourish extending to the left.

Cory A. Booker  
United States Senator



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

January 23, 2015

The Honorable Cory Booker  
United States Senate  
141 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Booker:

Thank you for your letter supporting increased funding for the E-rate program. I wholeheartedly agree with your views that the E-rate program must move beyond merely connecting schools and libraries to providing connection and equipment upgrades, increased speeds, and greater network capacity. Increased investment in the E-rate program will provide more educational opportunities for students throughout the United States, including for students in New Jersey.

I consider modernization of the E-rate program among the most important tasks currently facing this Commission. This past July, the Commission approved the first major modification in the E-rate program's 18 year history. The *E-Rate Modernization Order* took significant steps towards addressing the Wi-Fi gap in America's schools and libraries. We established an annual funding target of \$1 billion for Wi-Fi, as well as a fairer method for distributing funds so that all schools and libraries can benefit, including far more rural schools and libraries than in the past. Based on Commission analysis, New Jersey, in particular, could benefit from up to \$63 million in new Wi-Fi funding to impact over 1.5 million students in approximately 3,700 schools and 450 libraries.

However, American schools and libraries still face a connectivity gap. Two-thirds of schools and libraries do not subscribe to sufficient high-speed connectivity. In addition, nearly one-third of all schools and three-fourths of all libraries cannot get a high-speed connection because the infrastructure simply is not available. This gap is worst in rural America. But, it is not just rural communities that are being disproportionately left behind. Low-income schools in both rural and urban communities significantly lag behind affluent schools. Nearly 40 percent of affluent schools have high-speed access versus less than 15 percent of lower-income urban and rural schools.

Closing this connectivity gap requires raising the E-rate spending cap. Our December *Modernization Order* makes more funding available for schools and libraries to purchase broadband connectivity capable of delivering speeds up to 1 Gbps over the next five years. We have looked long-term to forecast the funding needs going forward and based the new \$3.9 billion spending cap on those forecasts. This increase is the first reset of the cap since it was initially set at \$2.25 billion in 1997, an amount that was not adjusted for inflation until 2010.

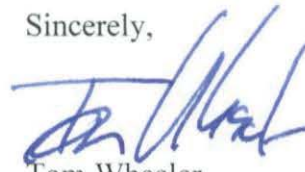


What will actually be spent – and the rate that Americans will be asked to contribute – will vary from year-to-year. E-rate is funded by fees on consumers' phone bills. As you note, the increase may over time require Americans to contribute approximately 16 cents a month for a telephone line - annually about the cost of a cup of coffee at Dunkin' Donuts.

I can assure you that I take the fiduciary responsibility over the investment of America's contributions very seriously. That's why we have placed an emphasis on improving cost-effectiveness of the program. The December *Order* makes further changes to the E-rate program rules to ensure more competition for E-rate dollars and to maximize the cost-effectiveness of E-rate supported purchases.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler